



United States  
Department of  
Agriculture

**Farm Service Agency**

**Montana State  
Producer Handbook**



**Fact Sheet**

**GRAZE-OUT Payment Program**

**2002-2007 Crop Years**

March 2004

**Overview**

The Farm Security and Rural Investment Act of 2002 (the Farm Bill) provides for GRAZE-OUT payments instead of loan deficiency payments (LDP's) for 2002 through 2007 crop years to eligible producers who:

- elect to use acreage planted to wheat, barley, oats, or triticale, for the grazing by livestock, and;
- agree to forgo any other harvesting of the commodity on this acreage during the applicable crop year.

Triticale is grain that, before the removal of dockage, consists of 50 percent or more of triticale (X Triticosecale Wittmack) and not more than 10 percent of other grains for which standards have been established under the United States Grain Standard Act and that, after the removal of dockage, contains 50 percent or more of whole triticale.

**General Information**

GRAZE-OUT payments are subject to the same basic eligibility requirements as commodity loans and LDP's including, but not limited to:

- payment limitation
- person determinations
- beneficial interest
- misaction or misinformation
- offsets

- death, incompetency disappearance, or dissolution of a producer.

**The Application Period for GRAZE-OUT**

Begins on the first day of mechanical harvest as determined by County Committees (COC) and ends on March 31 of the calendar year following the year the crop is normally harvested.

Producers may file an application for GRAZE-OUT anytime during this application period.

**Reminder:** Applications may **not** be cancelled or withdrawn once requested.

Local COC are responsible for determining the beginning harvest date in the county for wheat, barley, oats, and triticale. This will be the earlier of the first date of normal harvest for wheat, barley, oats, and triticale harvested as other than grain or wheat, barley, oats, and triticale harvested as grain.

**Specific GRAZE-OUT Eligibility Requirements**

An eligible producer for GRAZE-OUT purposes is one who meets the requirements of the following:

- requests GRAZE-OUT payments on form **CCC-633 GRAZING** farm serial number (FSN) before March 31 of the calendar year following the

- year the crop is normally harvested
- agrees to forgo any other harvesting of the commodity on the acreage
- retains beneficial interest through the date the crop is grazed out.

Eligible acreage includes any acreage that is not harvested by any means other than grazing of the following:

- wheat
- barley
- oats, or;
- triticale

**The requested acreage is not eligible for:**

- any other marketing assistance loans or LDP's for the crop
- a crop insurance indemnity for the crop
- NAP for the crop.

**Producers who lease cropland to a second party for grazing on a gain or per head per month basis only are:**

- not considered to have lost beneficial interest
- eligible for GRAZE-OUT payments on the eligible commodity if all other eligibility requirements are met.

**Producers are not eligible for GRAZE-OUT payments regardless of when beneficial interest is lost if any of the following occur:**

- grazing occurred on nurse crops that would not have met the definition of the crop if harvested as grain
- beneficial interest is lost and later regained
- the crop is leased to a third party for grazing on a flat per acre rate
- no grazing occurred
- mechanical harvest occurred.

Producers who elect to graze the 2002 through 2007 crop wheat, barley, oat, or triticale will not be eligible for an indemnity under the Federal Crop Insurance Act or NAP.

If multiple producers share in the acreage:

- all signatures must be obtained before the request is considered complete
- the shares must equal 100 percent of the grazed acreage.

***Forms to Complete to Request GRAZE-OUT Payments***

All applications, including applications requested by mail, telephone, FAX, or downloaded from the Internet, must be completed correctly, signed, and returned to the FSA County Office on or before the final loan availability date to be considered an eligible request.

Eligible producers must request **CCC-633 GRAZING**:

- after the date COC determines that wheat, barley, oats, or triticale is normally mechanically harvested for the crop year for that applicable county
- no later than March 31 of the calendar year following the

year the crop is normally harvested.

Eligible producers must file **CCC-633 GRAZING** for acres grazed or to be grazed showing the actual tract and field location any producer or any number of producers who share in the grazing of the acreage. In addition, the acreage and intended use must be certified on **FSA-578**.

Because the producer certifies that this information is correct, no additional documentation is requested from the producer at time of the request.

**Note:** An incorrect certification can cause a producer and/or farm to lose benefits.

**CCC-633 Grazing and FSA 578** are available in PDF format at the following website:

- USDA E-Commerce website located at:  
<http://forms.sc.egov.usda.gov/eforms/mainservlet>

Or from the local county FSA Office as follows:

- in person
- mail,
- telephone,
- or FAX.

**CCC-633 GRAZING** is complete when all applicable:

- entries have been completed by the producer according to this paragraph
- all applicable producer signatures have been obtained.

***GRAZE-OUT Payment***

Calculate the GRAZE-OUT payment by multiplying the actual grazed acreage requested for grazing, times the applicable yield, times the payment rate.

$\text{GRAZE-OUT Payment} = \text{Payment Rate} \times \text{acreage} \times \text{yield}$
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**GRAZE-OUT Yield**

For GRAZE-OUT, the yields are defined as follows:

- payment yield shall be the yield in effect for the calculation of Direct and Counter-cyclical (DCP) payments.

**Note:** These yields will be the direct payment yields.

- in case of a farm for which DCP yield is unavailable for a covered commodity, establish an appropriate payment yield for the covered commodity on the farm taking into consideration the PFC payment yields applicable to the commodity using 3 similar farms

**Note:** This yield shall also become the DCP yield for the farm and crop.

- for triticale, the payment yield shall be the predominant class of wheat yield in that county associated with the producer's farm.

**Payment Rate**

The GRAZE-OUT payment rate shall be determined by the amount the applicable commodity loan rate exceeds the CCC-determined value for the county where the farm is located.

The GRAZE-OUT payment rate is the rate in effect on the day the request is completed.

The request date is the day the FSA Administrative County Office receives a completed **CCC-633 GRAZING**.

For triticale, the payment rate is calculated based on the predominant class of wheat yield in that county associated with the producer's farm.

***For Additional information***

Additional information may be obtained at local FSA offices or through the Montana FSA Web site at <http://www.fsa.usda.gov/mt>.

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